

AMENDED IN SENATE AUGUST 19, 2016

AMENDED IN SENATE JUNE 13, 2016

AMENDED IN SENATE MAY 18, 2016

AMENDED IN ASSEMBLY MARCH 23, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 38

Introduced by Assembly Member Eggman

December 1, 2014

An act to add and repeal Part 6 (commencing with Section 5950) of Division 5 of the Welfare and Institutions Code, relating to mental ~~health~~: *health, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 38, as amended, Eggman. Mental health: Early Diagnosis and Preventive Treatment Program.

Existing law, the Bronzan-McCorquodale Act, sets out a system of community mental health care services provided by counties and administered by the State Department of Health Care Services.

This bill would establish the ~~EDAPT pilot program in the department~~ *to Early Diagnosis and Preventive Treatment (EDAPT) Program Fund in the State Treasury to provide funding to the Regents of the University of California for the purpose of providing reimbursement to an EDAPT program that would utilize integrated systems of care to provide early intervention, assessment, diagnosis, a treatment plan, and necessary services for individuals with severe mental illness and children with severe emotional disturbance, as specified. The bill would authorize moneys from private or other sources to be deposited into the fund and*

used for purposes of the bill. The bill would require the department to use funds appropriated for this purpose by the Legislature to provide require, when the Department of Finance has determined that the total amount of the moneys in the fund has reached or exceeded \$1,200,000, the Controller to distribute all of the moneys in the fund to the Regents of the University of California for the purpose of providing reimbursement to the an EDAPT program for services provided to persons who are referred to that program, but whose private health benefit plan, as defined, does not cover the full range of required services: services, thereby making an appropriation. The bill would require the University of California, Davis, if they accept money from the program, in the 4th year after the program is established but no later than January 1, 2022, to report Regents of the University of California, if the regents accept the money, or if the regents accept federal funding distributed by the State Department of Health Care Services for the purpose of supporting an EDAPT program, as specified, to report, on or after January 1, 2022, but prior to January 1, 2023, specified information to the health committees of both houses of the Legislature. The bill would repeal the program as of January 1, 2022. 2023.

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) There are approximately 1.2 million adult Californians who
- 4 suffer from severe mental illness and over 700,000 children in
- 5 California who deal with severe emotional disturbance.
- 6 (2) Despite the importance of and emphasis on mental health
- 7 parity, management of mental illness within a system of care is
- 8 far more difficult than most types of physical illness. There are
- 9 significant differences between the delivery systems for the
- 10 Medi-Cal population and the delivery systems for those covered
- 11 by private insurance, and there are unique problems associated
- 12 with each system. While changes are needed in both, there is an
- 13 immediate need to look for ways to better serve the insured
- 14 population.
- 15 (3) The limited number of providers, the lack of facilities for
- 16 treatment, and the difficulties of arranging for and coordinating

1 ancillary services have made it extremely difficult for health
2 insurers to meet the needs of enrollees facing significant mental
3 health issues.

4 (4) Attempts to develop truly accessible provider networks that
5 can link with the array of administrative and ancillary services that
6 the mentally ill need to manage their disease and to improve will
7 take an investment of time and resources.

8 (5) Systems of care known as Early Diagnosis and Preventive
9 Treatment (EDAPT) programs may hold the key to these problems.
10 These integrated systems of care provide early intervention,
11 assessment, diagnosis, a treatment plan, and the services necessary
12 to implement that plan. EDAPT programs have interdisciplinary
13 teams of physicians, clinicians, advocates, and staff that coordinate
14 care on an outpatient basis.

15 (6) EDAPT programs do not yet exist in sufficient ~~number~~
16 *numbers* to allow them to meet the provider network requirements
17 health insurers must meet. While it is possible under existing law
18 for health insurers to contract with existing EDAPT programs,
19 there are a number of regulatory and practical issues that stand in
20 the way of directing patients to them so that the patients' conditions
21 can be effectively managed. If insurers could designate an EDAPT
22 program as an exclusive provider for their enrollees, an assessment
23 ~~can~~ *could* be made of the overall efficacy of the model.

24 (b) Therefore, it is the intent of the Legislature to ~~establish a~~
25 ~~demonstration project to allow health insurers to opt in to utilizing~~
26 ~~the full range of EDAPT services to preserve the functioning of~~
27 ~~the insurers' enrollees in need of these services.~~ *provide funding*
28 *to augment private health benefit plan coverage in order to provide*
29 *patients with the full range of necessary EDAPT services.*

30 SEC. 2. Part 6 (commencing with Section 5950) is added to
31 Division 5 of the Welfare and Institutions Code, to read:

32
33 PART 6. EDAPT *FUNDING* PILOT PROGRAM
34

35 5950. (a) There is hereby established the ~~EDAPT pilot program~~
36 *Early Diagnosis and Preventive Treatment (EDAPT) Program*
37 *Fund* within the ~~State Department of Health Care Services to utilize~~
38 ~~integrated systems of care to provide early intervention, assessment,~~
39 ~~diagnosis, a treatment plan, and necessary services for individuals~~
40 ~~with severe mental illness and children with severe emotional~~

1 disturbance using an interdisciplinary team of physicians,
2 clinicians, advocates, and staff who coordinate care on an outpatient
3 basis. *State Treasury. Moneys from private or other sources may*
4 *be deposited into the fund and used for purposes of this part.*
5 *General Fund moneys shall not be deposited into the fund.*

6 (b) ~~(1) The department shall use funds appropriated for this~~
7 ~~purpose by the Legislature to provide~~ *When the Department of*
8 *Finance has determined that the total amount of the moneys in the*
9 *fund established pursuant to subdivision (a) has reached or*
10 *exceeded one million two hundred thousand dollars (\$1,200,000),*
11 *the Controller shall distribute all of the moneys in the fund to the*
12 *Regents of the University of California for the purpose of providing*
13 *reimbursement to the an EDAPT program for services provided*
14 *to persons who are referred to that program, but whose private*
15 *health benefit plan does not cover the full range of required*
16 *services.*

17 ~~(2) The department may solicit and accept funds from private,~~
18 ~~federal, or other sources to use for purposes of this program.~~

19 (c) ~~Funds provided distributed pursuant to this program part~~
20 ~~shall not be used to pay for services normally covered by the~~
21 ~~patient's private health benefit plan and shall only be used to~~
22 ~~augment private health benefit plan coverage to provide the patient~~
23 ~~with the full range of necessary services.~~

24 (d) For purposes of this part, the following definitions shall
25 apply:

26 (1) ~~“EDAPT program” means the Early Diagnosis and~~
27 ~~Preventive Treatment program provided at the Davis campus of~~
28 ~~the University of California.~~ *means an Early Diagnosis and*
29 *Preventive Treatment program and refers to a program that utilizes*
30 *integrated systems of care to provide early intervention,*
31 *assessment, diagnosis, a treatment plan, and necessary services*
32 *for individuals with severe mental illness and children with severe*
33 *emotional disturbance using an interdisciplinary team of*
34 *physicians, clinicians, advocates, and staff who coordinate care*
35 *on an outpatient basis.*

36 (2) ~~“Private health benefit plan” means a program or entity that~~
37 ~~provides, arranges, pays for, or reimburses the cost of health~~
38 ~~benefits, but does not include coverage provided through the~~
39 ~~Medi-Cal system.~~

1 ~~5951. (a) If the University of California, Davis accepts money~~
2 ~~from the department through the EDAPT pilot program, in the~~
3 ~~fourth year after the program is established but no later than~~
4 ~~January 1, 2022, it shall report~~

5 *5951. (a) If the Regents of the University of California accept*
6 *moneys from the fund established pursuant to this part, or accept*
7 *federal funds distributed by the State Department of Health Care*
8 *Services as described in subdivision (b), the regents shall report,*
9 *on or after January 1, 2022, but prior to January 1, 2023, to the*
10 *health committees of both houses of the Legislature all of the*
11 *following:*

12 (1) Evidence as to whether the early psychosis approach reduces
13 the duration of untreated psychosis, reduces the severity of
14 symptoms, improves relapse rates, decreases the use of inpatient
15 care in comparison to standard care, supports educational and
16 career progress, and reduces the cost of treatment in comparison
17 to standard treatment methodologies.

18 (2) The number of patients with private health benefit plans
19 served by ~~the EDAPT pilot~~ *an EDAPT program* in the 12 months
20 prior to the implementation of ~~the pilot program.~~ *this part.*

21 (3) The number of patients with private health benefit plans
22 served by ~~the EDAPT pilot program.~~ *an EDAPT program that has*
23 *received funding pursuant to this part.*

24 (4) The number of patients ~~in the program~~ *participating in an*
25 *EDAPT program that has received funding pursuant to this part*
26 *who are considered stabilized, as a percentage of patients served.*

27 (5) The number of patients ~~needing~~ *participating in an EDAPT*
28 *program that has received funding pursuant to this part who need*
29 *services beyond those provided in the program and the nature of*
30 *those services.*

31 (6) Any other information ~~the university deems~~ *regents deem*
32 *necessary.*

33 **(b)** *If the State Department of Health Care Services distributes*
34 *federal funds to the Regents of the University of California for the*
35 *purpose of supporting an EDAPT program, the regents shall issue*
36 *the report described in subdivision (a), to the extent permitted by*
37 *federal law.*

38 **(b)**

1 (c) A report to be submitted pursuant to this section shall be
2 submitted in compliance with Section 9795 of the Government
3 Code.

4 5952. This part shall remain in effect only until January 1,
5 2022, 2023, and as of that date is repealed, unless a later enacted
6 statute, that is enacted before January 1, ~~2022~~, 2023, deletes or
7 extends that date.